

Congress of the United States
Washington, DC 20515

May 11, 2021

The Honorable Gavin Newsom
California Governor
State Capitol, First Floor
Sacramento, CA 95814

The Honorable Anthony
Rendon
Assembly Speaker
State Capitol, Room 219
Sacramento, CA 95814

The Honorable Toni G. Atkins
Senate President pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

Dear Governor Newsom, Speaker Rendon, and President pro Tempore Atkins:

As you know, Congress has approved \$58 billion for California's state and local governments to aid in their response and recovery to the ongoing public health emergency. Unfortunately, California's special districts have received no direct access to COVID-19 relief funding programs unlike other government entities: the state, schools, cities and counties and they continue to face hardship accessing state and local relief programs.

Congress provided a flexible solution to this problem in the American Rescue Plan Act (ARP), empowering states with authority to transfer Coronavirus State Fiscal Recovery monies to special districts. Accordingly, we, the undersigned Members of the California U.S. House Delegation, encourage you to use this transfer authority as intended to its fullest extent and distribute a portion of California's \$27 billion in State Fiscal Recovery funding to the special districts providing critical, essential services to millions.

There are more than 2,000 of these local governments across the state. They provide our shared constituents with fire protection and emergency response, water, wastewater treatment, electricity, solid waste management, healthcare, transportation, resource and agricultural conservation, parks, libraries, cemeteries, air quality management, and more. They specialize in providing these specific services that other governments are not providing in their communities.

Despite the major roles they play in our daily lives, special districts are the only entities yet to receive direct access to COVID-19 relief funds in our state. Special districts are public entities and, as such, are neither eligible for the Paycheck Protection Program nor tax credits provided for private and nonprofit employers for providing paid FMLA and sick leave for COVID-19 impacted employees.

California's special districts are altogether anticipating a \$2.4 billion impact due to COVID-19 by the end of 2021. In response, one in three have reduced or anticipate reducing their workforce through the end of this year, and 42 percent have reduced or are bracing for reductions to services.

Like their county and city counterparts, special districts would utilize ARP relief funds to reimburse expenditures related to pandemic response; assist their residents with utility arrearages; restore services following a year's worth of revenue losses; rehire or boost frontline workers with premium pay; and invest in critical water, sewer, and broadband infrastructure –

including many capital projects which have been delayed, deferred, or canceled due to the pandemic's fiscal impacts.

Fortunately, there is precedent for the state to fulfill this request. Last year, the states of Colorado and Oregon, for example, included special districts in distributions of Coronavirus Relief Fund monies to local governments. We hope you, your colleagues and the Administration to follow these examples of distributing critical relief funds.

When special districts are excluded from relief, essential frontline workers and community residents are excluded from relief. We encourage you to utilize the tools Congress has provided you to transfer relief funds to special districts expeditiously, and to ensure these critical, essential service providers continue to provide unfettered services to our recovering communities.

SALUD CARBAJAL
Member of Congress

AMI BERA, M.D
Member of Congress

JOHN GARAMENDI
Member of Congress

MARK DESAULNIER
Member of Congress

JIMMY PANETTA
Member of Congress

JULIA BROWNLEY
Member of Congress

ALAN LOWENTHAL
Member of Congress

JARED HUFFMAN
Member of Congress

JACKIE SPEIER
Member of Congress

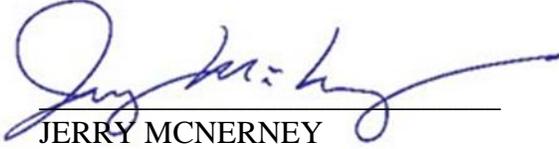
RO KHANNA
Member of Congress

BARBARA LEE
Member of Congress

TED W. LIEU
Member of Congress



JIM COSTA
Member of Congress



JERRY MCNERNEY
Member of Congress



MIKE LEVIN
Member of Congress